NORTH MIAMI
FLORIDA
776 N.E. 125 Street, North Miami, Florida 33161

Council Report

To: The Honorable Mayor and City Council

From: Larry M. Spring, Jr., CPA
City Manager

Date: January 28, 2020

RE: 151 at Biscayne Landing Condominium Land Lease Buyout

RECOMMENDATION

We recommend that City Council authorize the City Manager and City Attorney to finalize the buyout of the land lease with the 151 at Biscayne Landing Condominium Association.

BACKGROUND

As a follow up to the December 10th, 2019 agenda discussion and directive of the City Council to pursue all things necessary to consummate the sale of the land lease to the 151 at Biscayne Landing Condominium Association, the City has obtained an appraisal which estimates the market value to be $9,550,000. Based on the appraised value and city code we are requesting authorization to close on the land sale transaction.

Attachment

Appraisal

S

APPRAISAL REPORT

File: 31997

Land Property Appraisal Report

As of: December 23, 2019

Address: 15051 Royal Oaks Lane
North Miami, FL 33181

Prepared for:

City of North Miami
776 NE 125 Street
North Miami, FL 33161

Prepared by:

Jeff Michael;
State Certified General Real Estate Appraiser
RZ-3042

January 17, 2020

City of North Miami
776 NE 125 Street
North Miami, FL 33161

RE: Appraisal Report #31997

Land property appraisal report for property located at

15051 Royal Oaks Lane, North Miami, FL

Dear Sirs:

As requested, I have prepared an appraisal of the property referenced above. The appraisal develops an opinion of the market value of the Lease Fee estate in the above referenced real property as of December 23, 2019 on an "As Is" basis. The opinion of value reported below is qualified by certain assumptions, limiting conditions, certifications, and definitions, which are set forth in the report.

In order to carry out this assignment, a market study of real estate activity in the vicinity of the subject property has been conducted. This investigation included the collection and analysis of sales, offerings, and other developments which have occurred in the area in the recent past. The sources of this data included the Miami-Dade County records, our own data bank, other real estate brokers and appraisers, and knowledgeable individuals active in the area.

This appraisal has been completed in accordance with (a) all Federal banking regulations (primarily OCC Regulation 12 CFR Part 34, FDIC Regulation 12 CFR Part 323 and Title XI of the Financial Institution Reform, Recovery Enforcement Act of 1989 ("FIRREA"), and (b) the Uniform Standards of Professional Appraisal Practices and Conduct ("USPAP") as promulgated by the Appraisal Standards Board of the Appraisal Foundation.

The subject is a portion of the development site known as SoLe Mia. The subject portion has a total of 9.69 acres. The shape of the property is irregular and has frontage on 151 Street. Visibility and access are rated as average. Topography of the site is mostly level. Zoning is PD-2 - Planned Development. Flood zone is "AE", as identified by Panel #12086C0414L, dated September 11, 2009. For many years, the site was used as a landfill. Landfill use has long since stopped, but the site had contamination. In 1982, the property was declared a "superfund" site.

The site is subject to two separate ground leases. A ground lease dated October 18, 2005 is in effect for 5.3696 acres, a site improved with a condominium development. The lease terms are a rental rate of $1,500 per unit per year, through 2104, after which the rent increases to $12,000 per unit per year. In addition, landlord will share 50% of commercial space revenue. There is not currently commercial space revenue. The lease is a net lease, with tenant responsible for payment of all expenses associated with the site. The lease expires 2204.

The second lease encumbers a 4.325 acre parcel, which is supporting land and common areas for the adjacent condominium development. Tenant paid a nominal $100, one time payment, and is responsible for upkeep and expenses. The lease also expire 2204.

The Market Value of the Lease Fee interest of the subject property in "as is" condition, as of December 23, 2019, is estimated to be:

NINE MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS

$9,550,000

This letter of transmittal and the pages that follow constitute our report, including the data and analyses utilized in forming an opinion of value. Should you have any questions concerning this report, please do not hesitate to call our office.

Respectfully submitted,

Jeff Michael
State-Certified General Real Estate Appraiser
RZ 3042

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INTRODUCTION

Summary of Salient Facts and Conclusions

Client:	City of North Miami
Purpose of the Appraisal:	The purpose of this appraisal is to provide an opinion of the market value of the Lease Fee interest of the subject, in "as is" condition.
Intended Use of the Appraisal:	This appraisal is intended for the use of our client, City of North Miami, to assist with sale of the subject property.
Property:	Land located at 15051 Royal Oaks Lane, North Miami, FL 33181
Folio:	06-2221-034-0020 & 06-2221-036-0001
Legal Description:	See legal description on page 6.
Effective Date of Appraisal:	December 23, 2019
Property Rights Appraised:	Lease Fee estate
Land Size:	9.69 acres
Zoning:	PD-2 - Planned Development, North Miami
Highest and Best Use as Vacant:	The Highest and Best Use of the subject is to improve with commercial or residential development.
Assessment Data:	Not Assessed
Real Estate Taxes:	Not Assessed
Flood Zone:	Flood zone is "AE", as identified by Panel # 12086C0414L, dated September 11, 2009.
Sales History:	No recorded sales prior three years
Listing/Contract Information:	The subject is not currently advertised for sale on the Multiple Listing Service or Loopnet Services.

Owner of Record:	City of North Miami
Exposure Period:	Estimated at more or less 12-24 months
Marketing Time:	Estimated at more or less 12-24 months
Extraordinary Assumptions:	None
Hypothetical Conditions:	None

Valuation Summary

The Market Value of the Lease Fee interest of the subject property in "as is" condition, as of December 23, 2019, is estimated to be:

NINE MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS
$9,550,000

Subject Site History and Lease Terms

The subject is a portion of a large, mixed use development site.

For many years, the site was used as a landfill. Landfill use has long since stopped, but the site had contamination. In 1982, the property was declared a "superfund" site.

The site has been remediated and is now a 138 acre development site known as Sole Mia. A mixed use project is under development on the site.

The subject is a 9.69 acre parcel located at the north portion of the development. A residential condominium development was built on the site in 2007.

In 2011 a lease agreement was entered into between the City of North Miami and The Oaks I at The site is subject to two separate ground leases. A ground lease dated October 18, 2005 is in effect for 5.3696 acres, a site improved with a condominium development. The lease terms are a rental rate of $1,500 per unit per year, through 2104, after which the rent increases to $12,000 per unit per year. In addition, landlord will share 50% of commercial space revenue. There is not currently commercial space revenue. The lease is a net lease, with tenant responsible for payment of all expenses associated with the site. The lease expires 2204.

The second lease encumbers a 4.325 acre parcel, which is supporting land and common areas for the adjacent condominium development. Tenant paid a nominal $100, one time payment, and is responsible for upkeep and expenses. The lease also expires 2204.

Effective Date of the Appraisal/Date of the Report

The subject property has been inspected on various occasions throughout the process of preparing an appraisal report. A physical inspection of the site was conducted on, and the effective date the appraisal is December 23, 2019.

Purpose of the Appraisal

The purpose of this appraisal is to provide a market value opinion of the Lease Fee estate of the subject property, in "as is" condition.

Intended Use of the Appraisal

This appraisal is intended for the use of our client, City of North Miami, to assist with sale of the subject property.

Market Value Defined

Market value, as used in this appraisal report, is defined by the Appraisal Foundation, as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(1) Buyer and seller are typically motivated;
(2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
(3) A reasonable time is allowed for exposure in the open market;
(4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
(5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Property Interests Appraised

Fee simple estate may be defined as the largest possible estate in real property. It is also known as an absolute estate because a person in possession has no restrictions or limitations upon his ownership, except that imposed by the State. For instance: imposition of taxes, public safety regulations and purchase by the State for public use. Title to this estate may be acquired: by deed, will, inheritance, adverse possession and may also be granted by the Court.

Lease fee interest, or landlord's interest. This is the type of ownership interest held by a landlord with the rights of use and occupancy transferred by the lease to others and is different from the fee simple estate, in which the person in possession has no restrictions or limitations upon his ownership, except that imposed by the State.

The rights of the landlord, lessor or lease fee owner are specified by contract terms contained within the lease (collection of rent, repossess the property upon expiration of lease, and transfer or sale of property among others) and are different from the rights of tenant, lessee (to use, occupy, improve, or sublease during a certain term and conditions).

Leasehold interest, this is the type of interest held by a lessee (renter of tenant) through a lease transferring the rights of use and occupancy for a stated term under certain conditions.

The site is subject to a land lease agreement.

The interest appraised is the Lease Fee interest.

Property Identification

The subject is identified as follows:

EXHIBIT "A" TO LEASE

Legal Description of Parcel

A portion of Tract "A" of BISCAYNE LANDING, according to the Plat thereof, as recorded in Plat Book 161, at Page 72, of the Public Records of Miami-Dade County, Florida, lying in Section 21, Township 52 South, Range 42 East, being more particularly described as follows

Commence at the Northeast corner of the West 1/2 of the Northeast 1/4 of Section 21, Township 52 South, Range 42 East, the same being the Northeast Corner of said Tract "A" of BISCAYNE LANDING; thence South 87°02'55" West along the North boundary line of said Tract "A" of BISCAYNE LANDING, and along the North line of the Northeast 1/4 of said Section 21, and along the South Right of Way Line of N.E. 151st Street for a distance of 396.01 feet to the POINT OF BEGINNING of the hereinafter described parcel of land; thence along the boundary of The Oaks Condominium as described in Official Record Book 25427 at page 4613 of the Public Records of Miami-Dade County, Florida, for the following (4) courses; (1) thence South 03°17'25" East for a distance of 522.10 feet; (2) thence North 86°42'35" East for a distance of 159.56 feet; (3) thence South 27°35'03" East for a distance of 138.47 feet; (4) thence South 83°13'18" East for a distance of 177.81 feet to a point on the West line of the NE 1/4 of the NE 1/4 of said Section 21, also being the East line of said Tract "A"; thence South 02°55'05" East along said line for a distance of 252.90 feet; thence South 87°09'14" West for a distance of 501.91 feet to a point on a circular curve concave to the west whose radius point bears North 82°36'35" West from said point; thence Northwesterly to the left along the arc of said curve having a radius of 352.64 feet, through a central angle of 23°27'40" for an arc distance of 144.40 feet; thence North 78°35'03" East for 122.19 feet to a point on a circular curve concave to the Southeast whose radius point bears North 85°51'34" East from said point; thence Northeasterly to the right along the arc of said curve having a radius of 100.00 feet, through a central angle of 38°22'29" for an arc distance of 66.98 feet to a point of tangency; thence North 34°14'03" East for 70.48 feet; thence North 51°25'22" West for 70.73 feet; thence North 43°42'31" West for 108.81 feet to a point of curvature with a circular curve concave to the east; thence Northeasterly to the right along the arc of said curve having a radius of 60.00 feet, through a central angle of 72°52'56" for an arc distance of 76.32 feet to a point of reverse curvature with a circular curve concave to the northwest; thence Northeasterly to the left along the arc of said curve having a radius of 25.00 feet, through a central angle of 31°32'21" for an arc distance of 13.76 feet to a point of tangency; thence North 02°21'55" West for a distance of 173.92 feet to a point of curvature with a circular curve concave to the southwest; thence Northwesterly to the left along the arc of said curve having a radius of 125.00 feet, through a central angle of 78°55'58" for an arc distance of 172.20 feet; thence North 02°57'01" West for a distance of 138.00 feet to a point on the North boundary line of said Tract "A" of BISCAYNE LANDING, and also being to the North line of the Northeast 1/4 of said Section 21, and also being to the South Right of Way Line of said N.E. 151st Street; thence North 87°02'55" East along said North boundary line of said Tract "A" of BISCAYNE LANDING, and along said North line of the Northeast 1/4 of said Section 21, and along said South Right of Way Line of N.E. 151st Street for a distance of 149.64 feet to the POINT OF BEGINNING.

Containing 188,379 square feet, or 4.325 acres, more or less.

IWO 11-520 (VLW)

THE OAKS 1

Legal Description:

A parcel of land being a portion of Tract "A" of "BISCAYNE LANDING," according to the plat thereof, as recorded in Plat Book 161 at Page 72 of the Public Records of Miami-Dade County, Florida and being more particularly described as follows:

Beginning at the most Northeasterly Corner of said Tract "A" of "BISCAYNE LANDING," said point being further described as being the Northeast Corner of the West ½ the Northeast ¼ of Section 21, Township 52 South, Range 42 East; thence South 02°55'05" East, along the East Line of said Tract "A", a distance of 677.06 feet; thence North 83°13'18" West, a distance of 177.81 feet; thence North 27°35'03" West, a distance of 138.47 feet; thence South 86°42'35" West, a distance of 159.56 feet; thence North 03°17'25" West, a distance of 522.10 feet to a point on the North Line of said Tract "A"; thence North 87°02'55" East, along said North Line, a distance of 396.01 feet to the Point of Beginning of this description.

Said lands situate, lying and being in City of North Miami, Miami-Dade County, Florida.

Said parcel contains 5.3696 acres, more or less.

C:/SERVER/THEOAKS

PREPARED BY:
DAVIS & PURMORT, INC.
843 S.E. 8TH AVENUE
DEERFIELD BEACH, FLORIDA 33441
PHONE (954) 421-9101

LEGAL DESCRIPTION
THE OAKS 1
BOUNDARY

DRAWN BY:	AGS
CHECKED BY:	MGP
DATE:	10/04/05
JOB NO:	04-1196
F.B./PG.	N/A
SHEET	1 OF 217

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Sales History

No recorded sales prior three years.

Listing/Contract Information

The subject is not currently advertised for sale on the Multiple Listing Service or Loopnet Services.

Extraordinary Assumptions

The report is not based on any Extraordinary Assumptions.

Hypothetical Conditions

The report is not based on any Hypothetical Conditions.

Scope of the Appraisal

In determining the market value of the subject, the following approaches were utilized:

Cost Approach – No

Sales Comparison Approach – Yes

Income Approach - Yes

As a part of the valuation process, the appraiser inspected the subject and surrounding properties, the neighborhood and the comparables. The highest and best uses were analyzed and determined for the subject both as vacant and as improved.

A search for comparable land sales was made based upon, but not limited to the following search criteria: 1) Similarly located land within the general area. 2) Date of sale within the past three years and 3) Similar potential use. The most comparable sales were then selected from those transactions which met these criteria.

The Cost Approach is based upon the premise that a prudent buyer will pay no more for a property than it would cost to reproduce or replace a substitute property with the same utility. The Cost Approach is a method in which the value of a property is developed by 1) estimating the replacement or reproduction cost new of the subject improvements, 2) deducting the estimated depreciation from all sources, and 3) adding this depreciated reproduction or replacement cost of the improvements to the site value. The site value is based upon a vacant site's being used to its highest and best use. Generally speaking, the site value is estimated by the Sales Comparison Approach. Replacement or reproduction cost new can be derived from reliable cost manuals or from interviews with reputable local contractors. Depreciation can be from physical, functional, or economic causes. Depreciation can be observed from rent loss or based upon a cost-to-cure. In all cases, information concerning depreciation is developed from the market by observing comparable properties.

The Sales Comparison Approach relies heavily upon the principle of substitution. Recent sales of similar properties are gathered, and a meaningful unit of comparison is developed. Then, a comparative analysis between the sales and the subject involves consideration for differences in location, time, terms of sale, and physical characteristics. The reliability of the Sales Comparison Approach depends, to a large extent, upon the degree of comparability between the sales and the subject. The major strengths of this approach include the reflection of actual market transactions and the fact that common denominators are fairly easily determined. The potential weaknesses of this approach arise from the fact that the data is historical and ideal comparables are usually very difficult to obtain.

The Income Approach to value is predicated upon the relationship between income and value. Although all of the appraisal principles are involved in this approach, the principle of anticipation is particularly applicable. This appraisal technique converts anticipated annual net income into an indication of value. This process is called capitalization, and it involves multiplying the annual net income by a factor or dividing it by a rate that weighs such considerations as risk, time, return on investment, and return of investment. The appropriateness of this rate or factor is critical, and there are a number of techniques by which it may be developed. The net income attributable to the subject property is estimated by subtracting vacancy, collection losses, and expenses from the property's annual potential gross income. All of these figures are derived from market comparison of properties similar to the subject. The reliability of the Income Approach depends upon the reliability of income and expense estimates, the duration of the net annual income, the capitalization rate or factor used, and the method of capitalization. The weakness of this approach lies in the estimation of income and expenses and the fact that not all properties are suitable for this approach. The strength of this approach is its reflection of typical investor considerations as they analyze income-producing properties.

The applicability and reliability of each approach is considered in the determination of the final value estimate. This process is discussed in the reconciliation and final value estimate.

The subject is a Land. The Sales Comparison Approach is applied to develop an indication of the fee simple value of the subject to calculate the present value of the sale of the site at the end of the lease term. Discounted Cash Flow analysis is utilized to estimated the Leased Fee value of the site.

FACTUAL DESCRIPTIONS

Neighborhood Description

A neighborhood can be defined as: “A portion of a larger community, or an entire community in which there is a homogeneous grouping of inhabitants, buildings, or business enterprises. Inhabitants of a neighborhood usually have a more than casual community interest and a similarity of economic level or cultural background. Neighborhood boundaries may consist of well-defined natural or man made barriers or they may be more or less well defined by a distinct change in land use or in the character of the inhabitants.

Neighborhoods may be devoted to such uses as residential, commercial, industrial, agricultural, cultural, and civic activities, or a mixture of these uses. Analysis of the neighborhood in which a particular property is located, is important due to the fact that the various economic, social political, and physical forces which affect the neighborhood also directly influence the individual properties within it. An analysis of these various factors as they affect value of the subject property is presented in the following discussion.

Neighborhood boundaries are the intracoastal waterway to the east, 163 Street to the north, 123 Street to the south, and W Dixie Highway to the west.

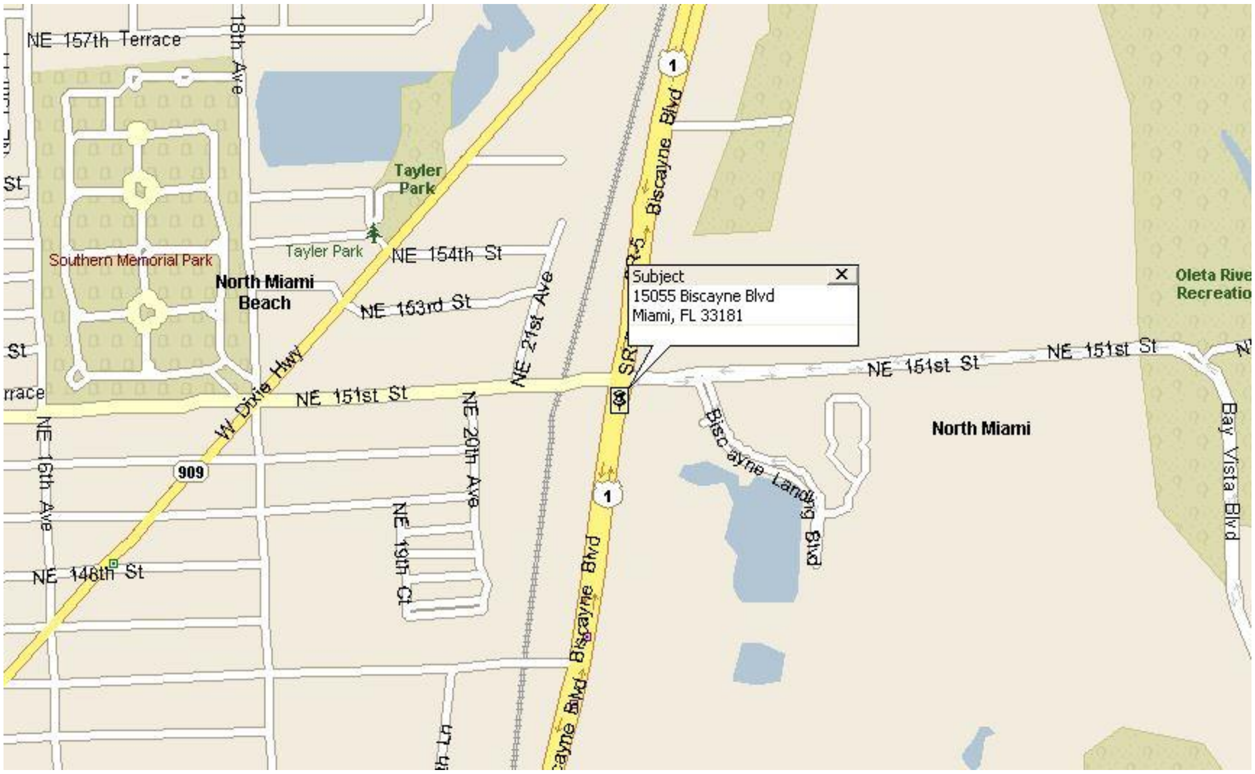
Florida International University has a campus, situated on 200 acres, extending to the intracoastal waterway. This campus has 7,000 students and includes hospitality, journalism, and marine science programs.

Also located in the neighborhood is the Oleta River State Park, a 1,000 acre park extending south from 163 Street. The park has picnic areas, beach area (fronting intracoastal), and bike trails. There is a small concession stand that rents kayaks.

This is a stable, mature neighborhood, almost 100% developed.

No unfavorable conditions that could impact marketability were observed during neighborhood inspection.

Neighborhood Map



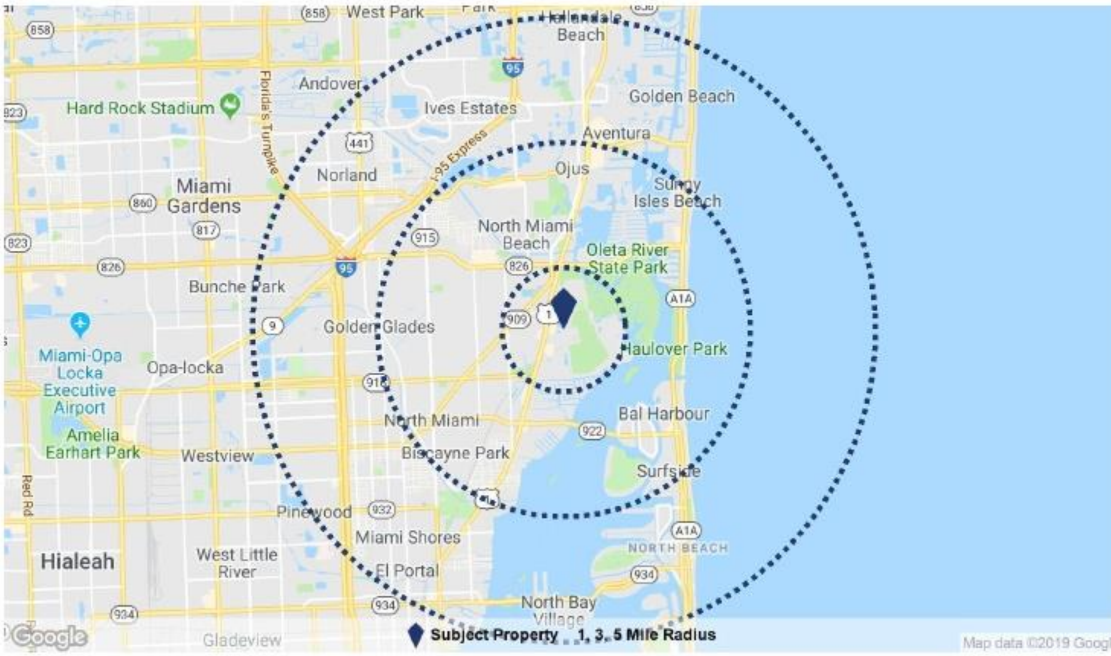
Neighborhood Satellite View

Demographic Overview

15045 Biscayne Blvd

Population (1 mi)	Avg. HH Size (1 mi)	Avg. Age (1 mi)	Med. HH Inc. (1 mi)
11,973	2.4	36	$38,603

DEMOGRAPHIC RADIUS RINGS



DEMOGRAPHIC SUMMARY

Population	1 Mile	3 Mile	5 Mile
2018 Population	11,973	183,836	406,740
2023 Population	12,420	190,745	421,582
Pop Growth 2018-2023	3.7%	3.8%	3.7%
2018 Average Age	36	40	40
Households			
2018 Households	4,875	70,957	154,809
2023 Households	5,056	73,426	160,140
Household Growth 2018-2023	3.7%	3.5%	3.4%
Median Household Income	$38,603	$44,459	$45,925
Average Household Size	2.4	2.5	2.6
Average HH Vehicles	1	1	1
Housing			
Median Home Value	$203,161	$274,638	$269,763
Median Year Built	1976	1972	1972

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Demographic Detail Report

SoLe Mia
15045 Biscayne Blvd, North Miami, FL 33181

Radius	1 Mile		3 Mile		5 Mile	
2018 Population By Race	**11,973**		**183,836**		**406,740**	
White	6,211	51.88%	110,631	60.18%	233,805	57.48%
Black	5,116	42.73%	64,282	34.97%	154,915	38.09%
Am. Indian & Alaskan	52	0.43%	669	0.36%	1,427	0.35%
Asian	306	2.56%	4,607	2.51%	8,750	2.15%
Hawaiian & Pacific Island	7	0.06%	129	0.07%	282	0.07%
Other	281	2.35%	3,518	1.91%	7,561	1.86%
Population by Hispanic Origin	**11,973**		**183,836**		**406,740**	
Non-Hispanic Origin	7,421	61.98%	115,008	62.56%	255,543	62.83%
Hispanic Origin	4,551	38.01%	68,828	37.44%	151,197	37.17%
2018 Median Age, Male	**35.30**		**38.80**		**39.20**	
2018 Average Age, Male	**35.60**		**38.80**		**39.00**	
2018 Median Age, Female	**36.40**		**41.80**		**42.00**	
2018 Average Age, Female	**37.10**		**41.50**		**41.60**	
2018 Population by Occupation Classification	**9,504**		**149,373**		**331,490**	
Civilian Employed	5,696	59.93%	86,957	58.21%	194,870	58.79%
Civilian Unemployed	374	3.94%	4,896	3.28%	11,476	3.46%
Civilian Non-Labor Force	3,434	36.13%	57,472	38.48%	125,071	37.73%
Armed Forces	0	0.00%	48	0.03%	73	0.02%
Households by Marital Status						
Married	1,390		27,117		59,285	
Married No Children	777		15,896		35,138	
Married w/Children	613		11,222		24,147	
2018 Population by Education	**9,318**		**144,178**		**317,956**	
Some High School, No Diploma	1,423	15.27%	21,790	15.11%	48,073	15.12%
High School Grad (Incl Equivalency)	2,140	22.97%	31,440	21.81%	74,455	23.42%
Some College, No Degree	2,325	24.95%	37,142	25.76%	81,039	25.49%
Associate Degree	1,113	11.94%	13,989	9.70%	28,937	9.10%
Bachelor Degree	1,458	15.65%	23,614	16.38%	51,472	16.19%
Advanced Degree	859	9.22%	16,203	11.24%	33,980	10.69%

1/2/2019

Demographic Detail Report

SoLe Mia

15045 Biscayne Blvd, North Miami, FL 33181

Radius	1 Mile		3 Mile		5 Mile	
2018 Population by Occupation	**10,512**		**164,565**		**369,555**	
Real Estate & Finance	225	2.14%	7,221	4.39%	15,557	4.21%
Professional & Management	2,148	20.43%	39,757	24.16%	88,783	24.02%
Public Administration	155	1.47%	2,606	1.58%	6,832	1.85%
Education & Health	1,153	10.97%	17,313	10.52%	39,629	10.72%
Services	1,545	14.70%	23,479	14.27%	49,850	13.49%
Information	137	1.30%	1,760	1.07%	4,417	1.20%
Sales	1,619	15.40%	23,501	14.28%	52,451	14.19%
Transportation	602	5.73%	8,533	5.19%	17,639	4.77%
Retail	885	8.42%	11,842	7.20%	25,502	6.90%
Wholesale	82	0.78%	2,840	1.73%	6,999	1.89%
Manufacturing	246	2.34%	2,639	1.60%	7,125	1.93%
Production	607	5.77%	7,485	4.55%	18,060	4.89%
Construction	364	3.46%	4,880	2.97%	12,108	3.28%
Utilities	387	3.68%	4,362	2.65%	11,098	3.00%
Agriculture & Mining	0	0.00%	97	0.06%	328	0.09%
Farming, Fishing, Forestry	0	0.00%	92	0.06%	232	0.06%
Other Services	357	3.40%	6,158	3.74%	12,945	3.50%
2018 Worker Travel Time to Job	**5,443**		**82,195**		**185,622**	
<30 Minutes	2,386	43.84%	37,463	45.58%	89,896	48.43%
30-60 Minutes	2,516	46.22%	36,709	44.66%	79,066	42.60%
60+ Minutes	541	9.94%	8,023	9.76%	16,660	8.98%
2010 Households by HH Size	**4,520**		**66,124**		**145,488**	
1-Person Households	1,527	33.78%	20,830	31.50%	44,109	30.32%
2-Person Households	1,372	30.35%	19,825	29.98%	43,290	29.76%
3-Person Households	673	14.89%	10,253	15.51%	22,843	15.70%
4-Person Households	488	10.80%	7,454	11.27%	17,267	11.87%
5-Person Households	256	5.66%	4,106	6.21%	9,420	6.47%
6-Person Households	106	2.35%	1,853	2.80%	4,349	2.99%
7 or more Person Households	98	2.17%	1,803	2.73%	4,210	2.89%
2018 Average Household Size	**2.40**		**2.50**		**2.60**	
Households						
2023 Projection	5,056		73,426		160,140	
2018 Estimate	4,875		70,957		154,809	
2010 Census	4,520		66,122		145,488	
Growth 2018 - 2023	3.71%		3.48%		3.44%	
Growth 2010 - 2018	7.85%		7.31%		6.41%	

1/2/2019

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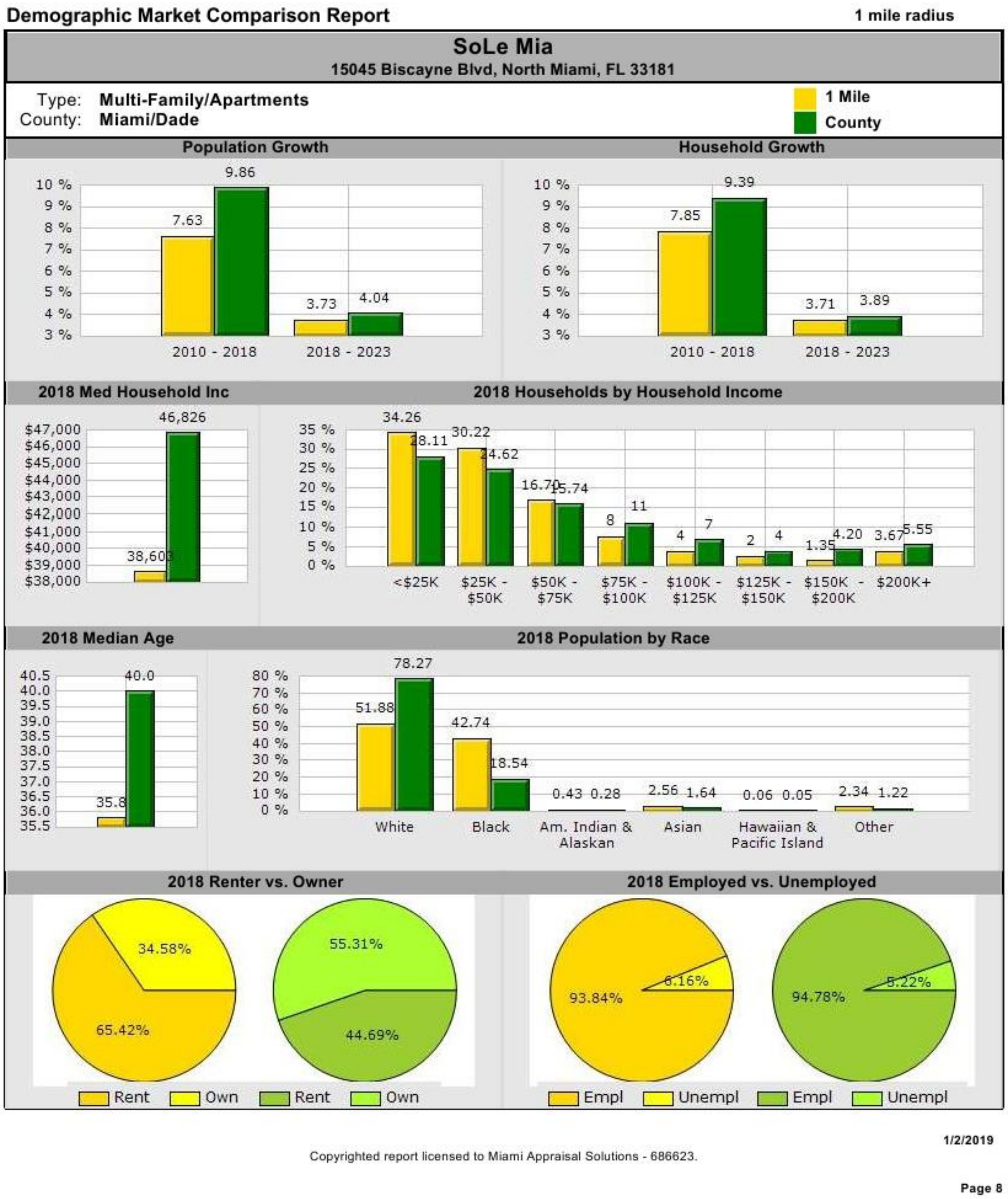
Demographic Detail Report

SoLe Mia

15045 Biscayne Blvd, North Miami, FL 33181

Radius	1 Mile		3 Mile		5 Mile	
2018 Households by HH Income	**4,874**		**70,960**		**154,811**	
<$25,000	1,670	34.26%	20,976	29.56%	44,634	28.83%
$25,000 - $50,000	1,473	30.22%	18,570	26.17%	38,590	24.93%
$50,000 - $75,000	814	16.70%	10,667	15.03%	24,494	15.82%
$75,000 - $100,000	371	7.61%	7,397	10.42%	17,077	11.03%
$100,000 - $125,000	183	3.75%	3,867	5.45%	8,758	5.66%
$125,000 - $150,000	118	2.42%	2,315	3.26%	5,273	3.41%
$150,000 - $200,000	66	1.35%	2,403	3.39%	5,915	3.82%
$200,000+	179	3.67%	4,765	6.72%	10,070	6.50%
2018 Avg Household Income	**$54,782**		**$69,644**		**$70,597**	
2018 Med Household Income	**$38,603**		**$44,459**		**$45,925**	
2018 Occupied Housing	**4,875**		**70,957**		**154,809**	
Owner Occupied	1,686	34.58%	38,777	54.65%	88,080	56.90%
Renter Occupied	3,189	65.42%	32,180	45.35%	66,729	43.10%
2010 Housing Units	**5,163**		**85,321**		**181,721**	
1 Unit	1,371	26.55%	22,352	26.20%	59,822	32.92%
2 - 4 Units	329	6.37%	4,400	5.16%	10,312	5.67%
5 - 19 Units	256	4.96%	5,956	6.98%	16,721	9.20%
20+ Units	3,207	62.12%	52,613	61.66%	94,866	52.20%
2018 Housing Value	**1,687**		**38,776**		**88,081**	
<$100,000	172	10.20%	3,771	9.73%	8,979	10.19%
$100,000 - $200,000	666	39.48%	10,043	25.90%	22,825	25.91%
$200,000 - $300,000	174	10.31%	7,468	19.26%	17,540	19.91%
$300,000 - $400,000	192	11.38%	5,072	13.08%	11,480	13.03%
$400,000 - $500,000	68	4.03%	2,749	7.09%	6,685	7.59%
$500,000 - $1,000,000	253	15.00%	6,869	17.71%	14,066	15.97%
$1,000,000+	162	9.60%	2,804	7.23%	6,506	7.39%
2018 Median Home Value	**$203,161**		**$274,638**		**$269,763**	
2018 Housing Units by Yr Built	**5,444**		**86,097**		**183,840**	
Built 2010+	114	2.09%	3,275	3.80%	6,605	3.59%
Built 2000 - 2010	1,444	26.52%	14,354	16.67%	24,844	13.51%
Built 1990 - 1999	224	4.11%	4,575	5.31%	13,354	7.26%
Built 1980 - 1989	486	8.93%	7,208	8.37%	19,696	10.71%
Built 1970 - 1979	1,317	24.19%	20,296	23.57%	37,703	20.51%
Built 1960 - 1969	653	11.99%	15,906	18.47%	31,575	17.18%
Built 1950 - 1959	978	17.96%	14,579	16.93%	35,005	19.04%
Built <1949	228	4.19%	5,904	6.86%	15,058	8.19%
2018 Median Year Built	**1976**		**1972**		**1972**	

1/2/2019


Demographic Market Comparison Report
1 mile radius
SoLe Mia
15045 Biscayne Blvd, North Miami, FL 33181
Type: Multi-Family/Apartments
County: Miami/Dade
1 Mile
County
Population Growth
2010 - 2018: 7.63 9.86
2018 - 2023: 3.73 4.04
Household Growth
2010 - 2018: 7.85 9.39
2018 - 2023: 3.71 3.89
2018 Med Household Inc
38,600 46,826
2018 Households by Household Income
<$25K 34.26 28.11
$25K - $50K 30.22 24.62
$50K - $75K 16.70 15.74
$75K - $100K 8 11
$100K - $125K 4 7
$125K - $150K 2 4
$150K - $200K 1.35 4.20
$200K+ 3.67 5.55
2018 Median Age
35.8 40.0
2018 Population by Race
White 51.88 78.27
Black 42.74 18.54
Am. Indian & Alaskan 0.43 0.28
Asian 2.56 1.64
Hawaiian & Pacific Island 0.06 0.05
Other 2.34 1.22
2018 Renter vs. Owner
34.58% 65.42% 55.31% 44.69%
Rent Own Rent Own
2018 Employed vs. Unemployed
93.84% 6.16% 94.78% 5.22%
Empl Unempl Empl Unempl
1/2/2019
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Page 8

Traffic Count Report

SoLe Mia

15045 Biscayne Blvd, North Miami, FL 33181

Building Type:	**Multi-Family**
Building Size:	**746,300 SF**
# of Units:	**878**
Avg Unit Size:	**850 SF**
% Bldg Vacant:	**0%**
Total Available:	**0 SF**
Rent/SF/Yr:	**-**

	Street	Cross Street	Cross Str Dist	Count Year	Avg Daily Volume	Volume Type	Miles from Subject Prop
1	Biscayne Blvd	NE 151st St	0.12 N	2017	44,500	MPSI	.30
2	W Dixie Hwy	NE 154th St	0.03 SW	2017	18,500	MPSI	.66
3	NE 135th St	Arch Creek Rd	0.06 W	2017	25,500	MPSI	.96
4	Biscayne Blvd	NE 165th Ter	0.21 N	2017	57,500	MPSI	.97

1/2/2019

Page 1

Site Analysis

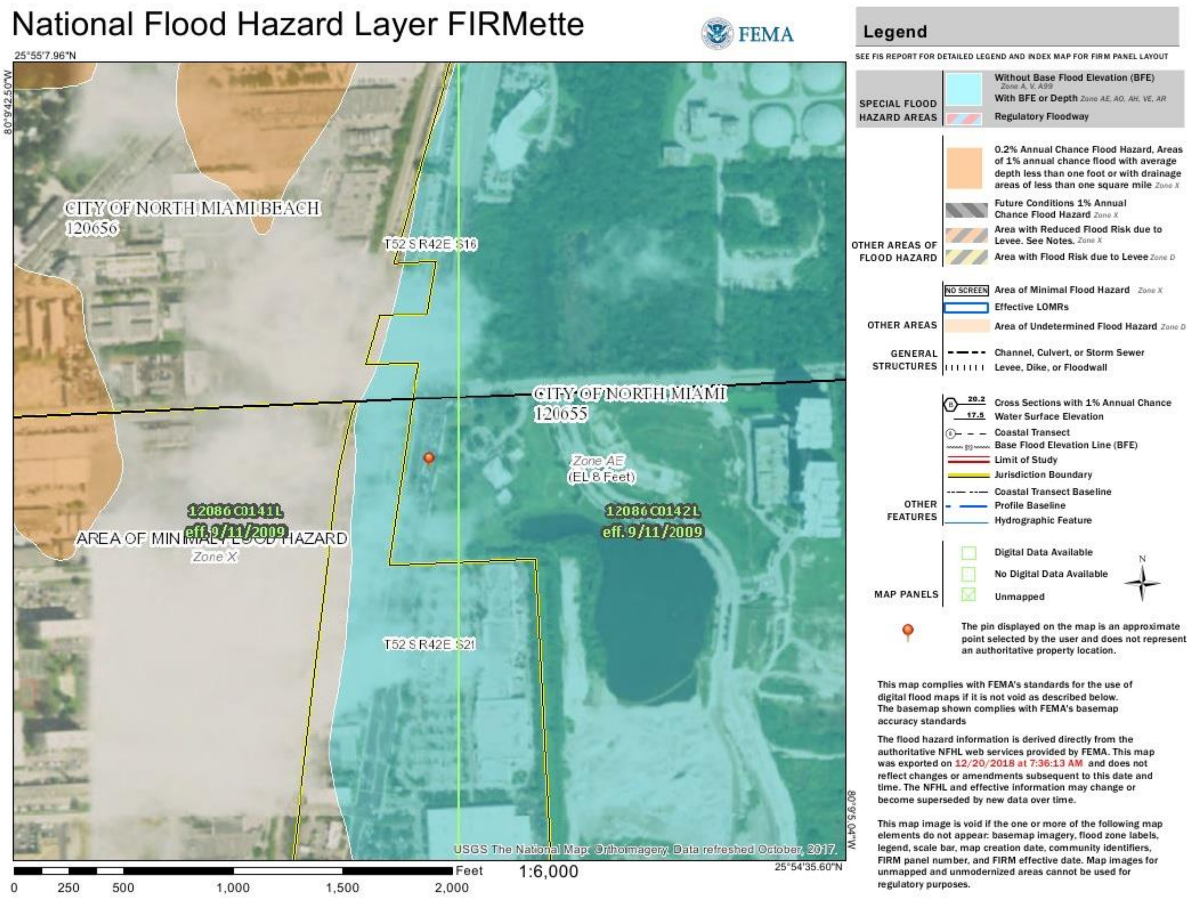
Location:	15051 Royal Oaks Lane North Miami, FL 33181
Assessor's Parcel Number:	06-2221-034-0010
Land Area:	The site has 9.69 acres
Shape:	Mostly Rectangular
Road Frontage:	±410' along 151 Street and ±880' along Biscayne Landing Boulevard.
Access:	The subject property is accessed by Biscayne Landing Boulevard.
Visibility:	Visibility from surrounding development is rated as average.
Terrain:	Mostly level.
Utilities:	All utilities appear to be available.
Adjacent Properties:	The subject is part of a corridor of commercial development running along both sides of Biscayne Boulevard.
Flood Plain:	Flood zone is "AE", as identified by Panel #12086C0414L, dated September 11, 2009.
Drainage:	Drainage appears to be Adequate, although an inspection was not made during a heavy rain period.
Landscaping:	Extensive and typical of this type of property.

Easements/Encumbrances:	Inspection did not reveal any easements that could affect marketability. In the performance of this appraisal, we did not find, nor were we made aware of an easements or encroachments (other than standard utility easements) that would have an adverse effect on the subject. We suggest that a legal opinion be obtained to ensure that no adverse easements or encroachements exist.
Zoning/Restrictions:	PD-2 - Planned Development
Environmental Regulations:	The site was used for many years as a landfill and has contamination. Reportedly, the contamination has been removed from the site. There will be an ongoing monitoring process to detect seepage from potential contamination.
Parking:	There is adequate on site parking.

Conclusion

Review of the above findings indicates that overall characteristics of the site are average and similar to most sites in the area. No unfavorable conditions affecting marketability were observed.

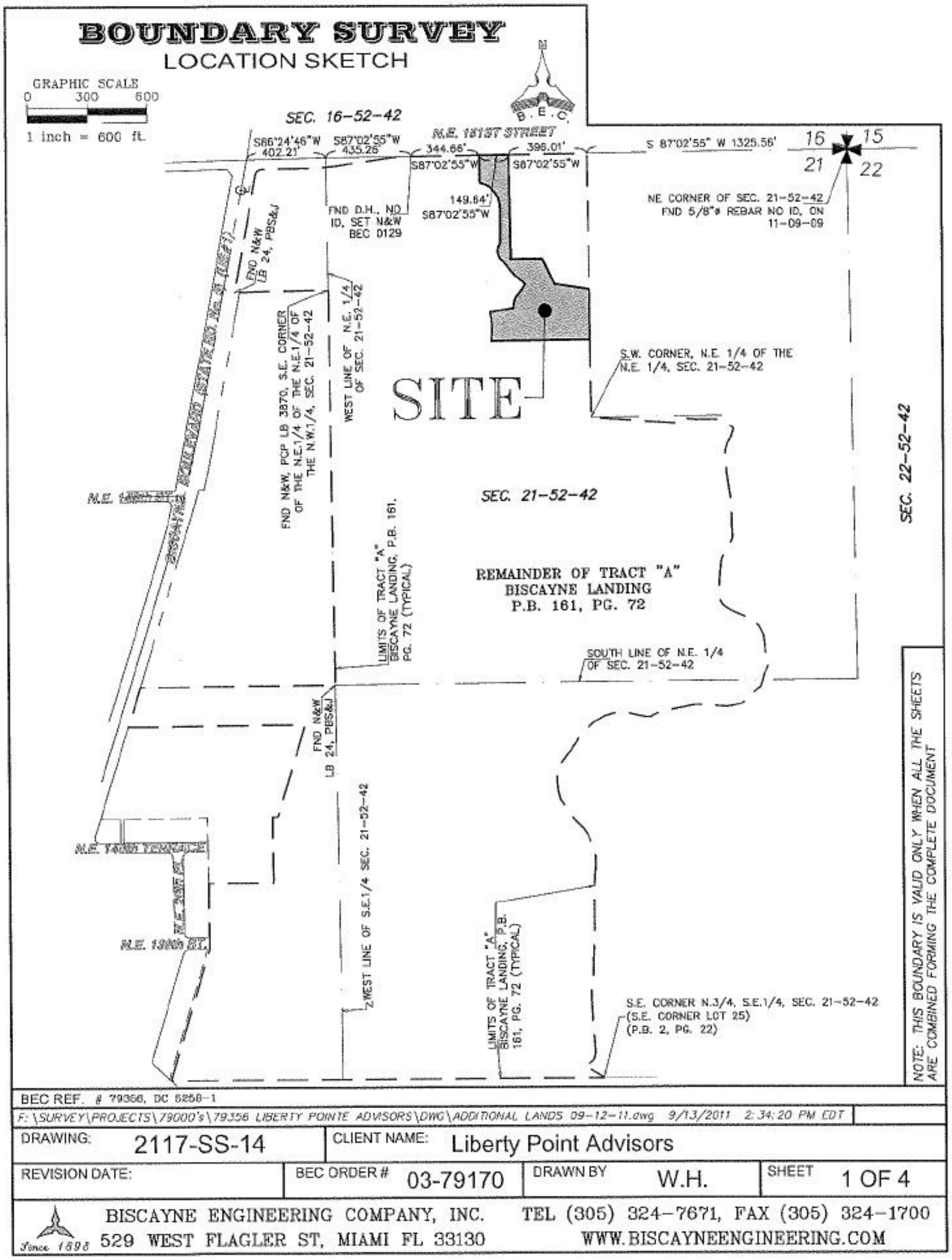
Zoning and Flood Maps



Aerial

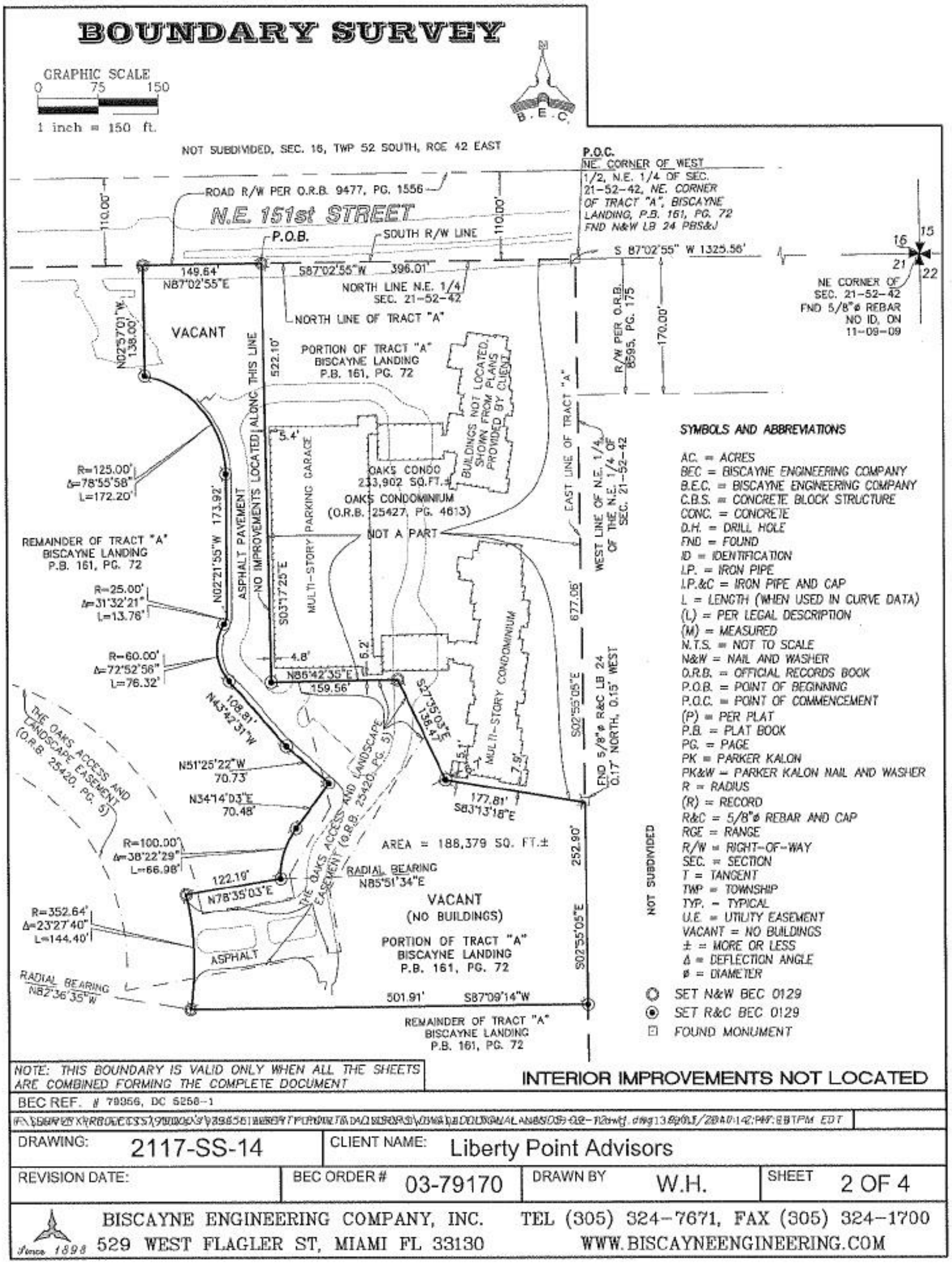
Survey

EXHIBIT "B" TO THE LEASE

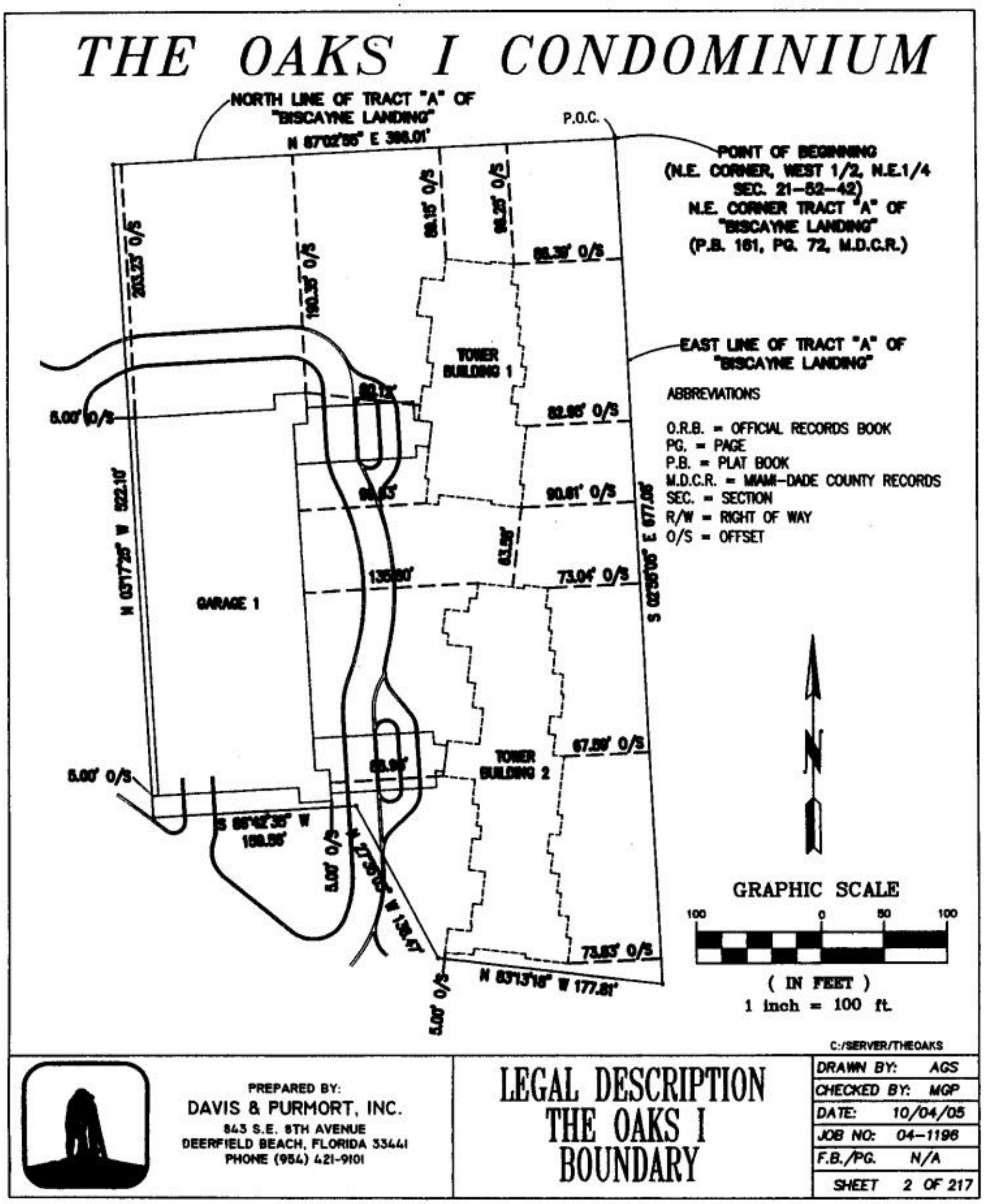


1

EXHIBIT "B" TO THE LEASE



2


THE OAKS I CONDOMINIUM
NORTH LINE OF TRACT "A" OF "BISCAYNE LANDING"
P.O.C.
POINT OF BEGINNING (N.E. CORNER, WEST 1/2, N.E.1/4 SEC. 21-52-42) N.E. CORNER TRACT "A" OF "BISCAYNE LANDING" (P.B. 161, PG. 72, M.D.C.R.)
EAST LINE OF TRACT "A" OF "BISCAYNE LANDING"
TOWER BUILDING 1
TOWER BUILDING 2
GARAGE 1
ABBREVIATIONS
O.R.B. = OFFICIAL RECORDS BOOK
PG. = PAGE
P.B. = PLAT BOOK
M.D.C.R. = MIAMI-DADE COUNTY RECORDS
SEC. = SECTION
R/W = RIGHT OF WAY
O/S = OFFSET
GRAPHIC SCALE
100 0 50 100
(IN FEET)
1 inch = 100 ft.
C:/SERVER/THEOAKS
PREPARED BY:
DAVIS & PURMORT, INC.
843 S.E. 8TH AVENUE
DEERFIELD BEACH, FLORIDA 33441
PHONE (954) 421-9101
LEGAL DESCRIPTION
THE OAKS I
BOUNDARY
DRAWN BY: AGS
CHECKED BY: MGP
DATE: 10/04/05
JOB NO: 04-1196
F.B./PG. N/A
SHEET 2 OF 217

THE OAKS I CONDOMINIUM

SURVEYORS NOTES:

1. Elevations shown hereon are based upon NGVD 1929.
2. All improvements are proposed and have been supplied by the client.
3. Underground improvements and /or encroachments are not shown unless otherwise indicated.
4. Legal descriptions for the parcels have been supplied by the client.
5. Bearings shown hereon are based upon West, along the Southerly Line of Overall Boundary.
6. No instruments of record reflection and rights-of-way, easements or instruments of ownership were supplied to this firm.

LEGEND:

P.O.C.	= POINT OF COMMENCEMENT
P.O.B.	= POINT OF BEGINNING
(P)	= PLAT
(M)	= MEASURED
P.R.M.	= PERMANENT REFERENCE MONUMENT
FND.	= FOUND
I.R.	= IRON ROD
I.P.	= IRON PIPE
I.R.C.	= IRON ROD W/CAP
N/D	= NAIL & DISC.
O/S	= OFFSET
ESMT.	= EASEMENT
U.E.	= UTILITY EASEMENT
O.H.W.	= OVERHEAD WIRES
CONC.	= CONCRETE
C.P.P.	= CONC. POWER POLE
W.P.P.	= WOOD POWER POLE
W.L.P.	= WOOD LIGHT POLE
C.B.	= CATCH BASIN
M.H.	= MANHOLE
D.M.H.	= DRAINAGE M.H.
R/W	= RIGHT-OF-WAY
P.B.	= PLAT BOOK
O.R.B.	= OFFICIAL RECORD BOOK
PG.	= PAGE
D.C.R.	= DADE COUNTY RECORDS
D.B.	= DEED BOOK
F.H.	= FIRE HYDRANT
WM	= WATER METER
E/P	= EDGE OF PAVEMENT
T.O.B.	= TOP OF BANK
E.O.W.	= EDGE OF WATER
C.L.F.	= CHAIN LINK FENCE
C.B.S.	= CONC. BLOCK STRUCTURE
C/S	= CONC. SLAB
℄	= CENTERLINE

LOCATION MAP
NOT TO SCALE

C:/SERVER/THEOAKS

PREPARED BY:
DAVIS & PURMORT, INC.
843 S.E. 8TH AVENUE
DEERFIELD BEACH, FLORIDA 33441
PHONE (954) 421-9101

THE OAKS I
NOTES

DRAWN BY:	AGS
CHECKED BY:	MGP
DATE:	10/04/05
JOB NO:	04-1196
F.B./PG.	N/A
SHEET	3 OF 217

Subject Photographs

Site Entrance

Parking Area

Site View

Site View

Zoning

The subject is zoned PD-2 - Planned Development. This is a district which permits a wide range of commercial and residential uses. A copy of the pertinent zoning code is retained in file. The subject use appears to be a legally permissible use.

Highest and Best Use Analysis

Four criteria are examined in order to determine the highest and best use of the subject property. The criteria and their applicability to the subject, both "as vacant" and "as improved" are as follows:

> **Legally Permissible:** a legally permissible use is determined primarily by current zoning regulations. However, other considerations such as long-term leases, deed restrictions, and environmental regulations may preclude some possible highest and best use.
>
> **Physically Possible:** the size, shape and topography affect the uses to which land may be developed. The utility of a parcel is dependent on its frontage and depth. Sites with irregular shapes may be more expensive to develop, and topography or subsoil conditions may make utilization too costly or restrictive. Highest and best use as improved also depends on physical characteristics such as condition and utility.
>
> **Financially Feasible:** the use of the property is analyzed to make a determination as to the likelihood that the property is capable of producing a return which is greater than the combined income needed to satisfy operation expenses, debt service, and capital amortization. Any use that is expected to produce a positive return is classified as financially feasible.
>
> **Maximally Productive:** the use that provides the highest rate of return among financially feasible uses is the highest and best use. The use of the land must yield a profitable net return, and the quantity of land devoted to any specific use must be limited to that quantity which will yield a maximum return to each owner.

Highest and Best Use

Legally Permissible

With the subject site being vacant and available for use, the current zoning would be the legal restraint on what improvements could be placed on the site. Subject site is zoned PD-2 - Planned Development, which permits a wide variety of commercial uses.

Physically Possible

The size, shape, and terrain is conducive for many types of development. The utilities serving the subject site are adequate for many uses. The property visibility from the street is average, accessibility is average. The subject's size of 9.69 acres is sufficient to allow development and most allowed uses could be physically placed on the site without any unreasonable hindrance. The subject site physical aspects do not impose apparent physical limitations on development for the legally permissible uses.

Financially Feasible

Financially feasible refers to legal uses which are physically possible and have a sufficient demand to produce a positive return. Once the physically possible and legally permissible potential land uses have been determined, the next step in estimating the highest and best use is to determine which uses are economically feasible. Construction of commercial or residential development would be financially feasible.

Maximally Productive

Among the physically possible, legally permissible and financially feasible uses, the maximally productive use of the site represents the Highest and Best Use. Based on the above criteria, the maximally productive use of the site would be construction of commercial or residential development. Highest and Best Use as Vacant, therefore, is the construction of commercial or residential development.

Highest and Best Use Summary

The Highest and Best Use of the subject as vacant would be to improve with commercial or residential development.

Sales Comparison Approach to Value

The Sales Comparison Approach draws heavily upon the principle of substitution. In essence, this principle states that a prudent purchaser will pay no more for any particular property than it would cost him to acquire an equally desirable alternate property. This approach consists of the comparison of similar property, which has recently sold or is currently being offered for sale. This comparison process involves making adjustments between the subject property and the comparable properties on an item-by-item basis. The factors considered in the comparison include date of sale, conditions of the sale (including financial terms), and physical characteristics. The subject property is the standard, and the adjustments are made to the sale price of the comparable property in order to arrive at an indication of value for the subject.

The weakness of this approach includes the fact that there may be inadequate data in the marketplace to justify its use, the fact that it is based upon historical data rather than future expectations, and the fact that the conditions of comparability may not closely conform to the subject property. Its strength lies in the fact that it reflects actual market behavior of typical purchasers under current market conditions. In short, the reliability of this approach depends upon the comparability of the comparable properties, verification of sales data, the conditions under which the property is sold, and the date of the sale. This approach is applicable to both vacant and improved properties.

In order to estimate the value of the subject property as improved, the Miami-Dade County Deed Records were searched for recent comparable sales. In addition, real estate brokers were consulted for information on properties that would be in competition with the subject if it were offered for sale on the open market.

Of the sales reviewed, based on the above criteria, the following sales represent the best available from the market to determine the subject's market potential under this valuation approach. While some are more ideal than others, the appraisers believe that they represent a sufficient sample of the data reviewed to illustrate a sound market-based conclusion for the subject.

Listed on the following pages are sales used in this analysis.

Improved Comparable Sale 1

Location Data

Location:	15780 W Dixie Highway North Miami Beach, FL
Folio No:	07-2216-041-0010, 0020 & 0030

Physical Data

Land Area:	17.69 acres 770,575.4 SF
Property Condition:	Average
Zoning:	MU/EC

Sale Data

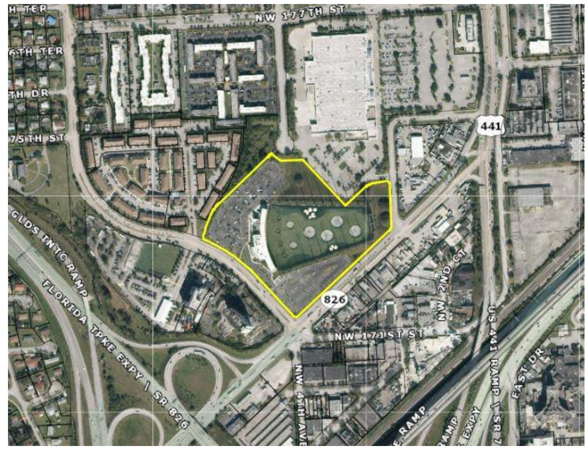
Sale Price:	$21,138,000
Sale Price/AC:	$1,194,912
Date:	January 2017
Grantor:	Moore 77 Llc
Grantee:	New North Equities Llc
Recorded at:	30391-3440
Financing:	Mortgage by New Wave Loans in the amount of $9,150,000.
Confirmation Source:	Buyer.
Sales History:	The site sold for $17,000,000 in June 2014.

Income & Expense Data

N/A – Owner User

Comments:
This comparable is the sale of a development site. A mixed use development is planned for the site.

Comparable Sale 2



Location Data

Location:	17321 NW 7 Avenue Miami Gardens, FL
Folio No:	34-2112-000-0080

Physical Data

Land Area:	15.34 acres
Year Built:	668,643 SF
Property Condition:	Average
Zoning:	PCD

Sale Data

Sale Price:	$9,500,000
Sale Price/acre:	$619,251
Date:	September 2017
Grantor:	City of Miami Gardens
Grantee:	Store Master Funding XIII LLC
Recorded at:	30704-3396
Financing:	No recorded mortgage.
Confirmation Source:	Selling agent.
Sales History:	No recorded sales prior three years.

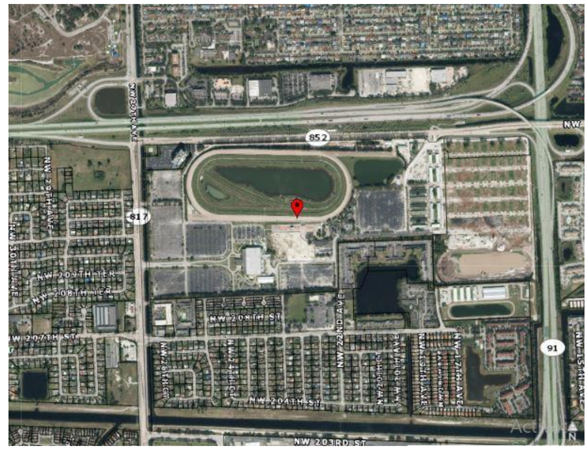
Income & Expense Data

N/A – Owner User

Comments:

This comparable is the sale of the Top Golf development site. Although the property was sold by a government entity, the property had typical marketing and was on the market for about 6 months.

Comparable Sale 3



Location Data

Location:	21001 NW 27 Avenue Miami Gardens, FL
Folio No:	34-1134-014-0010

Physical Data

Land Area:	61 acres
	2,657,160 SF
Property Condition:	Vacant
Zoning:	AU

Sale Data

Sale Price:	$26,500,000
Sale Price/AC:	$434,426
Date:	November 2016
Grantor:	Calder Race Course Inc
Grantee:	EastGroup Properties LP
Recorded at:	30302-3608
Financing:	No recorded mortgage.
Confirmation Source:	Public records.
Sales History:	No recorded sales prior three years.

Income & Expense Data

N/A

Comments:
This comparable is the sale of a portion of the Calder race track. A mixed use development is planned for the site.

Improved Comparable Sale 4

Location Data

Location:	16000 SW 88th Street Miami, FL
Folio No:	30-5905-029-0020

Physical Data

Land Area:	69.8 acres
	3,042,624 SF
Property Condition:	Vacant
Zoning:	BU-2

Sale Data

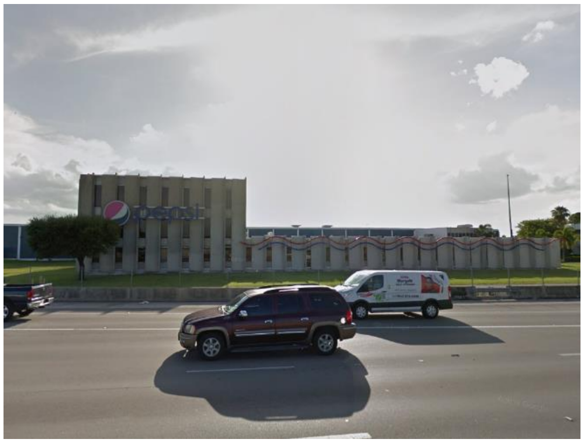
Sale Price:	$41,837,000
Sale Price/AC:	$599,383
Date:	December 2017
Grantor:	West Kendall Holdings Llc
Grantee:	KTC SW 88TH ST Llc
Recorded at:	30809-2922
Financing:	No recorded mortgage.
Confirmation Source:	Seller.
Sales History:	No recorded sales prior three years.

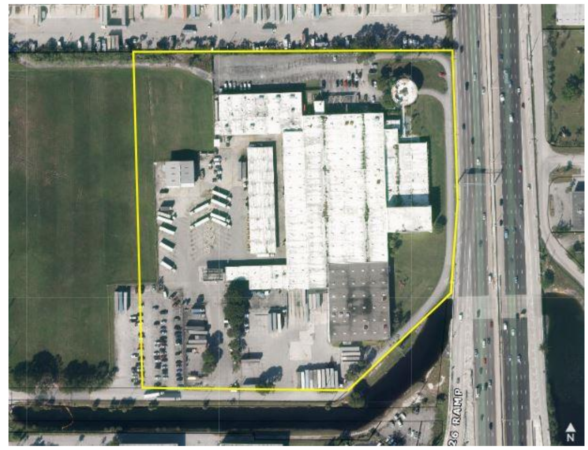
Income & Expense Data

N/A

Comments:
This comparable is the sale of a development site. A commercial development is planned.

Comparable Sale 5





Location Data

Location:	7777 NW 41 Street Doral, FL
Folio No:	35-3022-000-0101

Physical Data

Land Area:	23.7 acres
	1,032,436 SF
Property Condition:	Fair
Zoning:	I

Sale Data

Sale Price:	$40,268,000
Sale Price/AC:	$1,699,071
Date:	December 2017
Grantor:	Bottling Group Llc
Grantee:	7777 Investment Llc
Recorded at:	30813-3815
Financing:	No recorded mortgage.
Confirmation Source:	Selling agent.
Sales History:	No recorded sales prior three years.

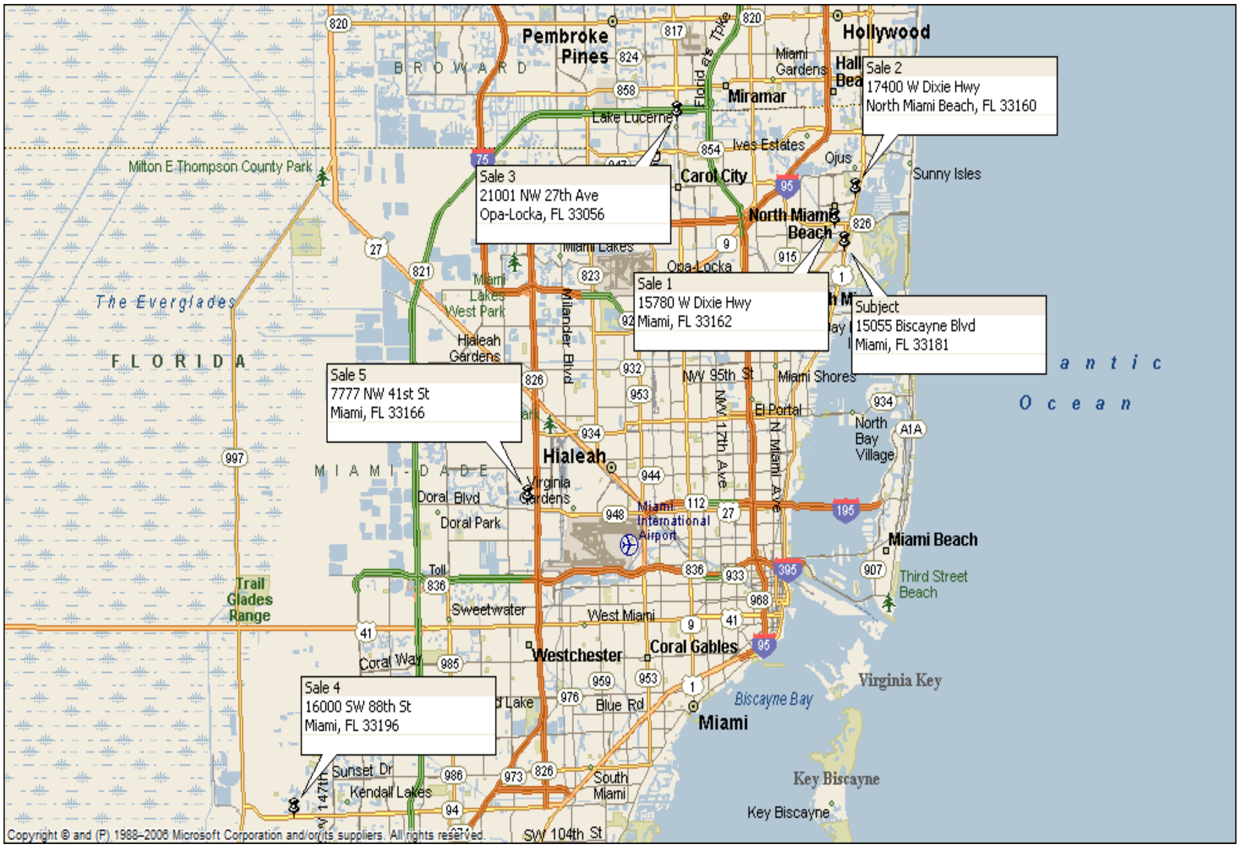
Income & Expense Data

N/A

Comments:

This comparable is the sale of a Pepsi bottling plant and offices. This was a sale/leaseback. They buyers plan a long term redevelopment.

Sales Location Map



Improved Sales Analysis

Extraction of Adjustments

Property Rights - The transaction price of a sale is always based on the real property interest conveyed. In this instance, the subject property is leased, and we are appraising the Lease Fee interest. No adjustments are warranted.

Conditions of Sale - Adjustments made for conditions of sale usually reflect atypical motivations of the buyer and seller at the time of conveyance. Based upon the research performed, it is believed that all of the comparable sales involved regular arms-length transactions without the presence of duress or adverse market influence. As such, no adjustments were warranted.

Financing Terms - Prices paid in acquiring property may differ due to the financing involved, if any. No adjustments are warranted for financing terms.

Market Conditions/Time - Market conditions may change between the time of sale of a comparable property and the date of the appraisal of the subject property. Changed market conditions often result from various causes, such as inflation, changing demand, and changing supply. Time itself is not the cause for the adjustment. No adjustments are warranted for Market Conditions/Time.

Location - Location considerations include such factors as proximity to surrounding land use plus accessibility to supporting development and transportation routes. Comparables 1-4 have inferior location.

Size - The subject is 9.69 acres in size. Typically, smaller sites sell for a higher price per acre. Comparables 1, 2 & 5 are smaller than the subject, downward adjustment is warranted.

Zoning – The subject site is zoned PD-2 – Planned Development. Zoning allows medium density mixed use development. Comparables 2 & 3 have inferior zoning, upward adjustment is warranted.

Contamination Monitoring – The subject, due to its contamination history, requires contamination monitoring and a circulation pump system, reportedly at a cost of $1,000,000 per year. None of the comparable sites require this ongoing operating expenditure, downward adjustment is warranted for all of the comparables.

Acess/Visibility – The subject has average access/visibility. No adjustments are warranted.

Site Work – This section estimates the value of the site upon reversion, at which point all site work will be completed. Comparables 3 and 4 require site work, including infrastructure and fill, upward adjustment is warranted for these comparables. Cost of site work is estimated at $150,000-$200,000/acre.

Occupancy/Income – The subject is a vacant development site. Sale 5 was purchased as a sale/leaseback and has income in place to offset carrying costs until redevelopment, downward adjustment is warranted.

Summary of Improved Sales with Adjustments

Comp No.	Subject	1	2	3	4	5
Address	15051 Royal Oaks Lane	15780 W Dixie Highway	17321 NW 7 Avenue	21001 NW 27 Avenue	16000 SW 88th Street	7777 NW 41 Street
City	North Miami	North Miami Beach	North Miami Beach	Miami Gardens	Miami	Doral
Date of Sale	---	01/17	09/17	11/16	12/17	12/17
Sale Price	---	$21,138,000	$9,500,000	$26,500,000	$41,837,000	$40,268,000
Land Area (AC)	9.69	17.69	15.34	61	69.8	23.7
SP/AC(Land)	---	$1,194,912	$619,251	$434,426	$599,383	$1,699,071
Property Rights	---	Lease Fee	Fee Simple	Lease Fee	Fee Simple	Lease Fee
Financing	---	None	Seller	None	Seller	None
Conditions of Sale	---	Typical	Typical	Typical	Typical	Typical

Qualitative Adjustments

Conditions of Sale						
Financing Terms						
Months Elapsed		23	15	25	12	12
Market Conditions/Time						
Location		+	+	+	+	
Qualitative Analysis		Inferior	Inferior	Inferior	Inferior	Comparable
Size		-	-			-
Qualitative Analysis		Smaller	Smaller	Comparable	Comparable	Smaller
Zoning			+	+		
Qualitative Analysis		Comparable	Inferior	Inferior	Comparable	Comparable
Contamination Monitoring		-	-	-	-	-
Qualitative Analysis		Superior	Superior	Superior	Superior	Superior
Access/Visibility						
Qualitative Analysis		Comparable	Comparable	Comparable	Comparable	Comparable
Site Work				+	+	
Qualitative Analysis		Comparable	Comparable	Inferior	Inferior	Comparable
Occupancy/Income						-
Qualitative Analysis		Comparable	Comparable	Comparable	Comparable	Superior
Total Net Adjustments		=	+	+	+	-

Value Conclusion

The comparables range in value from $434,426 to $1,699,071 per acre.

The closest sales are sales 1 & 2. Sale 1 has the highest degree of similarity, as it is a site scheduled for a similar, mixed use development.

Sale 5 is the highest sale. Location is rated as similar, however, this sale has income in place, and is an improved site. This site is considered as a land value indicator, but is only a medium/long term redevelopment candidate. This site is superior.

Sale 4 also is also a useful value indicator, this is a similar sized development site, although location is rated as inferior, and the site needs some site work prior to development.

The grid summarizes the adjustments made to each sale. It is the appraiser's opinion after reviewing these sales and consideration of current market conditions; the subject property has a Fee Simple value of approximately $1,100,000 per acre of land area. The results of this analysis indicate that the subject has an overall Fee Simple value of $10,660,000 (Rounded).

IMPROVED SALES ANALYSIS		
	Qualitative Analysis	
Sale No.	**Price/AC**	**Net Adjustment**
Sale 5	$1,699,071	-
Sale 1	$1,194,912	=
Subject	---	---
Sale 2	$619,251	+
Sale 4	$599,383	+
Sale 3	$434,426	+

Concluded Value

Concluded Price/Acre		**Acres**		**Value**
$1,100,000	×	**9.69**	=	**$10,660,000**

MARKET VALUE ESTIMATE

Indicated Value by Sales Comparison – Fee Simple:	**$10,660,000**

Discounted Cash Flow Analysis

The discounted cash flow analysis takes into consideration the current market value of the subject property considering the schedule of lease payments, along with the expected sale of the site at the end of the lease term, in order to arrive at an estimated net present value.

Estimation of the Growth Rate

The growth rate will be used to estimate the value of the site upon resale at the end of the lease period.

GDP annual growth rate is the best indicator of growth rate over the long term. Since 1930 to present, the average U.S. GDP growth rate has been 3.39%.

State level GDP figures have been available since 1997, over that time period, the annual growth rate for Florida has been 5.74, as compared to a national rate of 2.25%. Florida has grown at a rate exceeding the national average.

An additional indication is provided by the price of Gold. Over the past 100 years gold has had an annual average price increase of 5.67%.

Based on the preceding analysis, an annual growth rate of 4.25% will be utilized.

Estimation of the Discount Rate

The discount rate used in this method is an estimate of the present worth of the projected income stream produced by the subject project. The discounting of future payments to their present value accounts for the time value of money. The present value indicates what an investor would be willing to pay in order to receive the future payments.

The subject, as a land lease on what will be an improved site, is a highly secure investments, as the lessor has a high incentive not to default, and the lease is secured by the underlying land.

To estimate the discount rate, alternative investment yields will be considered.

10 Year treasury bond yields are considered as an alternative secure investment. Over a 100 year period, average annual yield rate for 10 year treasury bonds has been 4.91%. Current rate is 1.79%.

Based on the most recent Price Waterhouse Coopers investor survey, current discount rates for real estate investments range from 5.00%-10.00%, depending on property type, class, and location.

The subject, as a ground lease secured by the improvements, have a low default risk, and low management/oversight.

However, the subject, has a very long lease term, 84 years, with a fixed payment. At year 85 (2103), there is a one time increase in the payment amount, which then remains fixed for an additional 100 years. The fact that the lease does not have inflation based increases, and only 1 increase throughout the life of the lease, significantly increases the risk to the leaseholder. While we have been in a low interest rate/low inflation environment for some time, the likelihood of an inflationary period over the life of the lease is significant, and the lease is unprotected from this risk.

Based on this data, and the terms of the lease, the discount rate is estimated at 7.0%.

The discount rate for the resale of the property should be lower than this rate, and is estimated at 5.0%

Statement of Assumptions for Discounted Cash Flow Analysis

Income: The scheduled income payments are determined by the terms of the lease, which were presented in a previous section of the report.

Growth Rate: The growth rate is estimated at 4.25%

Discount Rate: The discount rate is estimated at 4.5% for the ground lease payments and 5.1% for the sale of the site upon termination of the lease.

Value Conclusion by Discounted Cash Flows

Based on the statement of assumptions as presented above, the present value of the future lease payments and the present value of the future Fee Simple reversion have been calculated. The schedule of future lease payments and present value calculations are retained in file. Conclusions are presented below:

MARKET VALUE ESTIMATE

Present Value of Future Lease Payments:	**$8,160,000**
Present Value of Anticipated Sale Upon Completion of Lease:	**$1,390,000**
Lease Fee Value:	**$9,550,000**

Final Market Value Estimate

The Market Value of the Lease Fee interest of the subject property in "as is" condition, as of December 23, 2019, is estimated to be:

NINE MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS

$9,550,000

CERTIFICATION OF VALUE

THE APPRAISER/S HEREBY CERTIFIES/Y:

1. That he/they have no undisclosed interest in the subject property and the object of this appraisal, either past, present or contemplated. That his/their employment and compensation for rendering his/their opinion in this report is/are not contingent upon the value found, nor upon anything else other than the delivery of this report for the predetermined fee.

2. That to the best of his/their knowledge and belief, everything contained in this report is true, that no important facts have been overlooked or withheld from the report and that no one provided significant real property appraisal assistance to the person/s signing this certification.

3. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and they are his/their personal, impartial, and unbiased professional analyses, opinions, and conclusions.

4. That the appraisal has been made and the report rendered strictly in accordance with guidelines established by the Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Standards Board of the Appraisal Foundation; and Title XI of the Federal Financial Institution Reform Act of 1989. The use of this report is subject to the requirements of the State of Florida relating to review by the Real Estate Appraisal Sub-committee of the Florida Real Estate Commission.

5. That the estimated value of the property described herein is as defined elsewhere in this report and that the contract for the appraisal of said premises is fulfilled by the signer/s hereto upon the delivery of this appraisal duly executed.

6. The signor of the report has personally inspected the subject property.

7. The signor of this report has performed no services, appraisal or otherwise, related to the subject property in the three years preceding acceptance of this assignment.

8. The appraisal is of the date specified in this report, and only covers the premises described, 15051 Royal Oaks Lane, North Miami, FL 33181.

The Market Value of the Lease Fee interest of the subject property in "as is" condition, as of December 23, 2019, is estimated to be:

NINE MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS

$9,550,000

Jeff Michael
State-Certified General Real Estate Appraiser
RZ 3042

ASSUMPTIONS AND LIMITING CONDITIONS

I/we assume no responsibility for matters legal in nature, nor do I/we render any opinion as to the title, which is assumed to be marketable. The property is appraised as though under responsible ownership.

The sketch in this report is included to assist the reader in visualizing the property, and I/we assume no responsibility for its accuracy. I/we have made no survey of the property and no responsibility is assumed for this matter.

I/we are not required to give testimony or appear in court because of having made this appraisal with reference to the property in question, unless previous arrangements have been made therefore.

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

I/we assume that there are no hidden or unapparent conditions of the property, subsoil or structures, which would render it more or less valuable. I/we assume no responsibility for such conditions or for engineering, which might be required to discover such factors.

Information, estimates and opinions furnished to me/us and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy can be assumed by me/us.

Neither all nor any part of the contents of this report, or copy thereof, shall be used for any purpose by any but the client without the previous written consent of the appraiser/s and/or of the client; nor shall it be conveyed by any, including the client, to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraisers, or a firm or firms with which he is connected, or any reference to any professional society or institute or any initialed designations conferred upon the appraisers.

Both legal descriptions and dimensions are taken from sources deemed authoritative; however, no responsibility is assumed.

A survey, by a licensed surveyor or engineer, is recommended.

Value is reported in Dollars on the basis of the national economy prevailing on the date of the appraisal. The appraisal is of the date specified and covers only the described premises. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

The reader is reminded that when the replacement cost estimate is developed in the report, it is a fair assumption, but nevertheless an assumption which could very well be an over or under estimate since the appraiser is not an expert in construction and should only be used as a guide to any decision. A general contractor or architect should be consulted for an expert opinion.

To the best of my/our knowledge and believe, the appraisal complies with the guidelines established by the Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Standards Board of the Appraisal Foundation; and Title XI of the Federal Financial Institution Reform Act of 1989.

The principal signatory of this appraisal is a State Certified General Appraiser in the State of Florida and has completed all continuing education requirements for certification until November 2020.

All other persons signing this appraisal are properly registered with the DBPR Board of Real Estate in Florida and have completed all continuing education requirements through November 2020.

ENVIRONMENTAL DISCLAIMER: Routine inspection of and inquires about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively. This notwithstanding, the value estimated in this report is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous materials and environmental conditions on or around the property that would negatively affect its value.

Clearly observable, possible hazardous conditions within the neighborhood, or proximity to the subject property, are addressed in the body of this report. Possible hazardous conditions include stored chemicals, wastes, storage tanks and materials potentially containing asbestos or PCB's. Any market indicated penalties or premiums would be dealt with in the market data analysis.

The American with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey analysis to determine whether or not property is in compliance with act requirements. It is possible that a compliance survey report could reveal that the property in not in compliance with some of the requirements. If so, this could have a negative effect upon the value. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of the ADA in estimating the value of the property.

QUALIFICATIONS OF THE APPRAISER

Jeff Michael
300 SW 12 Avenue, Suite 3
Miami, Florida 33130
Telephone (786) 348-8999 – Fax (305) 285-2524

WORK HISTORY:

2014 to Present	Special Magistrate, Property Tax Appeals, Miami-Dade County Value Adjustment Board
2001 TO Present	Commercial Real Estate Appraiser
2000 TO 2001	Assistant Commercial Loan Underwriter, Skymar Capital Corporation
1999 TO 2000	Residential Mortgage Loan Processor, Wells Fargo Bank

PERSONAL: Engaged full time in real estate since 1999. Resident of Miami-Dade County, Florida since 2000.

LICENSES HELD
IN THE STATE OF
FL: State-Certified General Real Estate Appraiser (to 11-30-2020)

EDUCATION:

1992-1996, University of Oregon – Small Business & Entrepreneurship

Appraisal Institute Course 550 – Advanced Applications

Appraisal Institute Course 540 – Report Writing & Valuation Analysis
Appraisal Institute Course 530 – Advanced Sales Comparison Approach and Income Approach
Appraisal Institute Course 520 – Highest and Best Use and Market Analysis
Appraisal Institute Course 510 – Advanced Income Capitalization

AB-I Fundamentals of Real Estate Appraisal

AB-II Appraising Residential and Income Properties

AB-IIB Income Capitalization Techniques

15 Hour USPAP National Course

2002-2014 Continuing Education

APPRAISAL SERVICES PROVIDED TO:

PARTIAL LIST
Ocean Bank
Total Bank
Banco Popular, NA
Best Meridian Insurance Company
Starfund, LLC
Bank Atlantic
Union Credit Bank
Intercredit Bank
US Century Bank
Eastern National Bank
First Bank of Miami
One United Bank
Regions Bank
City of Miami
City of North Miami
Halpern & Associates

APPRAISAL ASSIGNMENTS

Assignments have included the appraisal of: Single family residential dwellings, duplexes, apartment buildings, shopping centers, office buildings, warehouses, condo conversions of offices, warehouses and apartment buildings, vacant land, acreage, subdivisions developments and special use properties such as gas stations, schools, libraries, churches, self storage facilities, etc.

Testimony as expert witness, in both bankruptcy and divorce courts of Miami-Dade & Broward County, Florida.

Assignments have been completed throughout the State of Florida (Duval, Orange, Lee, Osceola, Polk, St. Lucie, Palm Beach, Charlotte, Collier, Sarasota, Miami-Dade, Broward & Monroe Counties).